RECOVERY WEEKLY CHECK-IN WITH DMPED

Economic Recovery Updates

April 27, 2021



Welcome

Deputy Mayor John Falcicchio,Planning and Economic Development (DMPED)



Want to keep Streateries?

According to the Alcoholic Beverage Regulations Administration (ABRA):

849 Streatery registrations

594 Alcohol licensees

101 Restaurants without alcohol

23 Retailers

131 Community organizations



Sign up for the May 10th hearing on Mayor Bowser's ReOpen Washington DC Alcoholic Beverage Regulation Act.

Contact the Council Committee on Business & Economic Dev. by email at BusinessEconomicDevelopment@dccouncil.us or by phone at 202-724-8078, providing name, phone number or email address, organizational affiliation, & title (if any), by 5:00 p.m. on Friday, May 7th.

Department of Small and Local Business Development Updates

Kristi C. Whitfield

Director, Department of Small and Local Business

Development



Do you need assistance applying for PPP/EIDL Funding? Reach out to our DC PTAC Team!

email: dslbd.ptac@dc.gov

Phone: (202) 727-3900 (select option #7)

Join us for an in-depth Q&A session on the Restaurant Revitalization Fund during Small Business Week on Friday, May 7th at 10 AM

Learn more at https://DSLBD.dc.gov





Small Business Administration Updates

Roderick Johnson, Lender Relations/Small Business Development Center Officer--Washington Metropolitan Area District Office (WMADO), SBA





U.S. Small Business Administration

The New Paycheck Protection Program

PURPOSE	To meet financial obligations and operating expenses during the covid-19 pandemic
LOAN AMOUNT	Maximum amount of \$2,00,000.
TERMS	 •1.00% (fixed) •2 or 5 years •No pre-payment penalty or fees •Must show 25% decline in revenues quarter over quarter
USE OF PROCEEDS	Minimum 60% payroll; 40% operating expenses Example: gas, water, electric rent/lease, PPE, software, fuel, cell phone, interest on mortgage
COLLATERAL REQUIREMENTS	•None required •No personal guarantees
FORGIVABLE	•Yes, with the appropriate documentation

The New Economic Injury Disaster Loan

PURPOSE	To meet financial obligations and operating expenses that could have been met had the disaster not occurred
LOAN AMOUNT	As of April 6, 2021: Maximum amount of \$500,000.
TERMS	•3.75% for businesses (fixed) •2.75% for nonprofits (fixed) •30 years •No pre-payment penalty or fees
USE OF PROCEEDS	Working capital and normal operating expenses <i>Example:</i> continuation of health care benefits, rent, utilities, fixed debt payments.
COLLATERAL REQUIREMENTS	 Required for loans over \$25,000 SBA uses a general security agreement (UCC) designating business assets as collateral, such as machinery and equipment, furniture and fixtures, etc.
FORGIVABLE	•NO – EIDL Loan

Restaurant Revitalization Fund (RRF) What is it?

- The American Rescue Plan Act (ARPA) became public law on March 11, 2021 and established the RRF
- ARPA appropriated \$28.6 billion for RRF, authorizing SBA to award funds
- The appropriations remain available until expended
- Fund must be used for eligible uses no later than March 11, 2023

Restaurant Revitalization Fund (RRF) Who is eligible?

- Eligible entities are businesses that are not permanently closed and include businesses where the public or patrons assemble for the primary purpose of being served food or drink
- Includes:
 - Restaurants
 - Food stands, food trucks, food carts
 - Caterers
 - Bars, saloons, lounges, taverns
 - Snack and nonalcoholic beverage bars (e.g., coffee shops, ice cream shops)
 - Bakeries (onsite sales to the public comprise at least 33% of gross receipts)
 - Brewpubs, tasting rooms, taprooms* (onsite sales to the public comprise at least 33% of gross receipts)
 - Breweries and/or microbreweries* (onsite sales to the public comprise at least 33% of gross receipts)
 - Wineries and distilleries* (onsite sales to the public comprise at least 33% of gross receipts)
 - Inns* (onsite sales of food and beverage to the public comprise at least 33% of gross receipts)
 - Licensed facilities or premises of a beverage alcohol producer where the public may taste, sample, or purchase products
 - Other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink

All entities listed above that do not have an asterisk are presumed to have greater than 33% onsite in 2019 food and beverage sales

Restaurant Revitalization Fund (RRF) How much am I eligible for?

•SBA may provide funding up to \$5 million per location, not to exceed \$10 million total for the applicant and any affiliated businesses

Minimum award is \$1,000

Restaurant Revitalization Fund (RRF)

How is this program different from other SBA programs?

- Applicants do not need to be registered in SAM.gov, and SBA will not require a DUNS or CAGE identifier
- Valid unexpired ITINs are acceptable
- Individual Taxpayer Identification Number | Internal Revenue Service (irs.gov)
- ITIN expiration FAQs Internal Revenue Service (irs.gov)



Restaurant Revitalization Fund (RRF) Who is ineligible?

- Entities are ineligible if any of the following apply:
- The Entity:
 - Is a State or local government-operated business;
 - As of March 13, 2020, owns or operates (together with any affiliated business) more than 20 locations, regardless of whether those locations do business under the same or different names or are in different industries;
 - Has a pending application for or has received a Shuttered Venue Operators Grant;
 - Is a Publicly-Traded Company;
 - Is permanently closed;
 - Is a Nonprofit organization;
 - Is not eligible for funding of at least \$1,000;



Restaurant Revitalization Fund (RRF) Who is eligible? – Form of Organization

- Eligible Applicants must be one of the following forms of organization:
 - C-Corporations*
 - S-Corporations*
 - Partnerships
 - Limited Liability Companies
 - Sole Proprietors
 - Self-Employed Individuals*
 - Independent Contractors
 - Tribal Businesses
 - LLC taxed as S-Corporations, or Sole Proprietors

*B-Corporations are eligible, but they will select either C-Corp or S-Corp on the application, depending on how they are taxed

* Refer to your tax return to see self-employed vs. sole proprietor distinction



Restaurant Revitalization Fund (RRF) Who is eligible? – Franchises

- Any business concern operating as a franchise and meeting all other program requirements is eligible. The franchise must be listed on the SBA Franchise Directory.
- In the application portal, Applicants will be able to look up their entity on the SBA Franchise Directory.

For brands not listed on the Directory (including brands that have previously been denied listing on the Directory because of affiliation issues), the franchisor must submit the Franchise Disclosure Document (or other agreement) and all other documents a franchisee is required to sign to franchise@sba.gov for review of SBA's other eligibility criteria (e.g., 13 CFR § 120.110).



Restaurant Revitalization Fund (RRF) Who is eligible? -Bankruptcy

- Bankruptcy:
 - Applicants that are operating under an approved plan of reorganization, under either a Chapter 11, Chapter 12 or Chapter 13 bankruptcy and meet all program requirements are eligible for funding
 - An Applicant is not eligible if it has:
 - Permanently closed;
 - Filed a Chapter 7 liquidation bankruptcy; or
 - Filed for either a Chapter 7 or Chapter 11, 12, and 13 bankruptcy but is not under an approved plan of reorganization.
- Permanently closed does not include businesses who temporarily closed their doors due to state or local restrictions or other pandemic causes but are still in operation or have reopened

Restaurant Revitalization Fund (RRF) How do other SBA Relief Programs impact RRF?

Paycheck Protection Program (PPP) loan

- Any funds already received through the Paycheck Protection Program will be subtracted from the Applicant's final funding amount – Applicant is verified using the EIN, ITIN, or SSN associated with its PPP loans
- If the Applicant received a PPP loan, the Applicant must use the same EIN number for its RRF application as it used in its PPP application.
- If an Applicant applied for a First Draw PPP loan for multiple locations under one EIN and subsequently applied for Second Draw PPP loans under different EINS, the Applicant must provide the EINs for each entities that received Second Draw PPP loans.
- Upon applying for RRF, Applicant must withdraw any outstanding PPP application

The Applicant must not have a pending application for or have received a Shuttered Venue Operator grant from SBA.



Restaurant Revitalization Fund (RRF) What are the eligible uses of funds?

Business Expenses

- Business payroll costs (including sick leave)
- Business utility payments
- Business maintenance expenses
- Business supplies (including protective equipment and cleaning materials)
- Business food and beverage expenses (including raw materials)
- Covered supplier costs
- Business operating expenses (insurance, marketing, fees, licenses, legal, POS equipment, etc.)

Construction Expenses

- Construction of outdoor seating
- Expansion costs are ineligible

Business Debt

- Payments on any business mortgage obligation (both principal and interest)
 - This does not include any prepayment of principal or interest
- Business debt service (both principal and interest)
 - This does not include any prepayment of principal or interest



Restaurant Revitalization Fund (RRF) When do I have to use the funds?

- The funds must be spent on expenses that were/are incurred between February 15, 2020 and March 11, 2023.
- If the business permanently closes after receiving funds, the covered period will end when the business permanently closes or on March 11, 2023, whichever occurs sooner.
- Any funds not spent on eligible expenses by the time the covered period ends must be returned to the government.

Restaurant Revitalization Fund (RRF) How do I get help applying?

- Call center hotline 1-844-279-8898
- Local SBA District Office (<u>www.sba.gov/local-assistance</u>)
- Help available in multiple languages

Mayor's Office of Nightlife and Culture Updates

Shawn Townsend, Director, Mayor's Office of Nightlife and Culture (MONC)





The indoor capacity limit for non-essential retail businesses is raised from

25% to 50% or 250 people,

whichever is lower.



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RESTAURANTS AND BARS

- The number of people who can sit together at a table is increased from 6 people to 10 people
- Live music will be allowed outdoors for summer gardens, courtyard dining and sidewalk cafes controlled by the restaurants.
- If customers are sitting outside, alcohol sales can be made without a requirement to purchase food



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ENTERTAINMENT

- Multi-purpose facilities, concert venues, and theaters may open at 25% capacity (up to 500 people) and attendees must remain seated
- Movie theaters can operate at up to 25% capacity (per auditorium)



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CEREMONIES AND MEETINGS

- Weddings and special events allowed indoors and outdoors at 25% capacity (with a waiver for attendance greater than 250), and attendees must remain seated and socially distanced
- Regional business meetings and seated conventions allowed indoors at 25% capacity (with a waiver for attendance greater than 250), and attendees must remain seated and socially distanced



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Residents that Want a Vaccine Can Get A Vaccine

Beginning on Saturday, May 1, the District will transition to the use of 11 high-capacity, walk-up, no appointment needed vaccination sites. Days, hours, and available vaccines will be listed on vaccinefinder.org.

WALK-UP VACCINATION SITES

- Arena Stage | 1101 6th St SW
- Fort Stanton Recreation Center | 1812 Erie Street, SE
- Kenilworth Recreation Center | 4321 Ord St. NE
- Lamond Recreation Center | 20 Tuckerman St, NE
- Langdon Park Community Center | 2901 20th St, NE
- Providence Health System | 1150 Varnum St, NE
- Rosedale Recreation Center | 1701 Gales St, NE

- Turkey Thicket Recreation Center | 1100 Michigan Ave, NE
- University of the District of Columbia | 4200 Connecticut Ave NW
- Walter E. Washington Convention Center (GW MFA) | 801
 Mt Vernon Pl, NW
- MAY 1 ONLY: Entertainment and Sports Arena | 1100 Oak St, SE
 AFTER MAY 1: RISE Demonstration Center | 2730 Martin Luther King Jr. Ave, SE

Days, hours, and available vaccines will be listed on vaccinefinder.org

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Calling on Volunteers!

DC COVID-19 COMMUNITY CORPS

DAY OF ACTION

Every DC resident, age 16 and older, is now eligible to receive the free COVID-19 vaccine. Help us go door to door to encourage residents to pre-register for their free COVID-19 vaccination appointment.

Saturday, May 1, 2021 Canvass starting at: 9AM, 11AM, 1PM

To RSVP and for more information: bit.ly/dayofactiondc











Reopen Washington, DC Alcoholic Act Hearing

Contact the Council Committee on Business & Economic Development by email at

BusinessEconomicDevelopment@dcc ouncil.us or by phone at 202-724-8078, providing name, phone number or email address, organizational affiliation, & title (if any), by 5:00 p.m. on Friday, May 7th.

This week, we introduced the Reopen Washington, DC Alcohol Act.

The legislation proposes several innovative approaches to help rebuild the District's economy by providing businesses and patrons with expanded opportunities; bringing essential services, including new full-service grocery stores, to Wards 7 and 8; and maintaining DC's reputation as a top destination to live, work, and dine out.

Proposed provisions in the Reopen Washington, DC Alcohol Act include:

- Extending programs introduced on an emergency basis, including Streateries
- Establishing a Commercial Lifestyle License that allows patrons to walk around and consume alcohol purchased from on-premises establishments within predefined boundaries
- Amending several licensing operational requirements

Creating a new 25 percent full-service grocery store Class A License to help attract new full service grocery stores to Wards 7 and 8; applicants interested in using this license to open a Class A grocery store in Wards 1-6 must first operate such a store in Wards 7 and 8 for at least six months

Read the full text of the bill at mayor.dc.gov

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January 28, 2021





Power Up DC 2021!

Join us as we celebrate **National Small Business Week** and provide you with valuable information, tips and tools to grow and prosper your business in challenging times. Cutting edge seminars will presented in five different tracks focusing on the following:

Track A – Moving in the Right Direction: Business Startup (New Business Owners)

Track B – Keep Moving: Sustain, Grow and Prosper (Established Business Owners)

Track C – Accelerating Capacity (Non-Profit Organizations and Faith Based Institutions)

Track D – *Cracking the Glass Ceiling* (Women Business Owners)

Track E – Fostering Early Entrepreneurship (Youth and Young Adults)

POWER DC Tuesday
May 4, 2021
10 am

JOIN THE 7TH ANNUAL SMALL BUSINESS SUMMIT

"Recovering and Recalibrating for Success in a New Era"

Workshops, Networking & Access to Capital

LEARN AND REGISTER

Hosted by DC Health Link

To sign up visit, dchealthlink.com/powerupdc2021



Special Guest Remarks

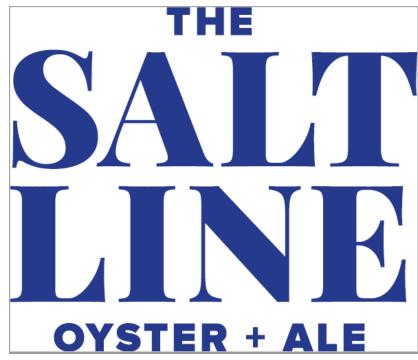
Gavin Coleman, Owner, The Dubliner Restaurant & Pub, The Salt Line and Dauphine's





The Salt Line, Dubliner & Dauphine's







an irish pub washington, d.c.



Open Discussion

Q & A



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